

United States Senate

WASHINGTON, DC 20510

September 23, 2004

The Honorable Bill Frist
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Senator Frist:

We are writing to urge immediate Congressional action on legislation we have introduced to protect the health insurance coverage of children enrolled in the State Children's Health Insurance Program (SCHIP). The Children's Health Protection and Improvement Act (S.2759/H.R.4936) will preserve \$1.07 billion in federal SCHIP funds that are scheduled to expire and revert to the Treasury on September 30, 2004, one week from today. If Congress does not act by September 30 to preserve these funds, states will be forced to cut coverage for as many as 200,000 low-income children.

Since its inception in 1997, SCHIP has directly contributed to a reduction in the number of children without health insurance. Last year alone, 5.8 million children were enrolled in this critical program. In August of this year, the Census Bureau reported that, while the overall percentage of Americans without health insurance rose significantly in 2003, the percentage of children without coverage remained stable, largely because of increases in coverage by Medicaid and SCHIP. Because of the availability of SCHIP, children have access to periodic check-ups, immunizations, and treatment for ailments found during health screenings. We want to ensure the continued success of this vital program, and we believe you share that goal.

We appreciate your leadership last year in preventing \$2.7 billion in SCHIP funds from reverting to the Treasury. While last year's legislation went a long way to address immediate SCHIP funding shortfalls, it did not address the long-term financing problems that will persist until SCHIP is reauthorized in FY2007.

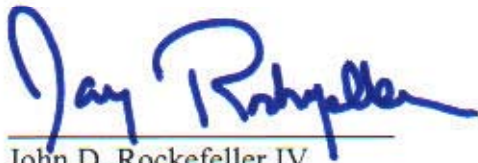
At the same time that \$1.07 billion in SCHIP funds are set to expire, a number of states are projected to have insufficient federal funding to sustain their existing SCHIP programs – even when all available annual allotments plus any previously redistributed and retained funds are taken into account. As a result, seven states are projected to have federal funding shortfalls in fiscal year 2005. That number is expected to rise to 17 states by fiscal year 2007.

The Children's Health Protection and Improvement Act addresses the long-term federal funding shortfalls that will occur in SCHIP over the next three years. By targeting the expiring federal funds to states that need them the most, our legislation not only assists the seven states that are projected to have insufficient federal funding in fiscal year 2005, it also helps the ten additional states facing shortfalls in fiscal years 2006 and 2007. Ultimately, our bill keeps SCHIP money in the SCHIP program in order to prevent a devastating enrollment decline and to facilitate continued SCHIP growth.

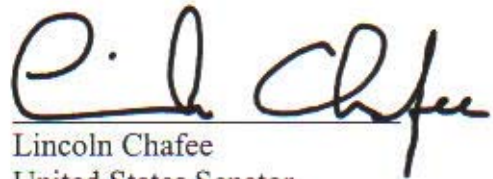
The Children's Health Protection and Improvement Act has strong bipartisan and bicameral support. Cosponsors in the Senate include Senators Campbell, Collins, Corzine, Daschle, Dayton, DeWine, Lautenberg, McCain, Mikulski, Roberts, Sarbanes, and Warner. Our legislation has been endorsed by over 100 local, state and national organizations including the National Governors Association, the American Academy of Pediatrics, the National Association of Children's Hospitals, the Catholic Health Association, Families USA, the Children's Defense Fund, and the March of Dimes.

We look forward to working with you to pass this legislation before Congress adjourns.

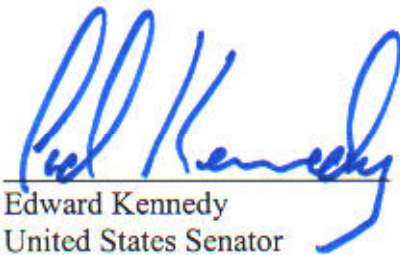
Sincerely,



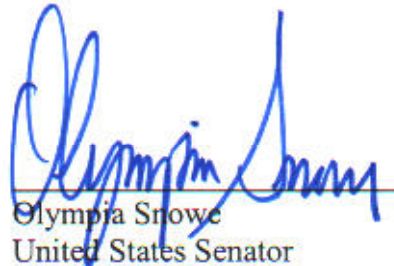
John D. Rockefeller IV
United States Senator



Lincoln Chafee
United States Senator



Edward Kennedy
United States Senator



Olympia Snowe
United States Senator